



TEXAS DEPARTMENT OF INSURANCE

Division of Workers' Compensation - Medical Fee Dispute Resolution (MS-48)
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MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

GENERAL INFORMATION

Requestor Name

Elite Healthcare Fort Worth

Respondent Name

Standard Fire Insurance Company

MFDR Tracking Number

M4-15-2861-01

Carrier's Austin Representative

Box Number 05

MFDR Date Received

May 4, 2015

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "Carrier is not paying physical therapy according to the Medicare Fee Schedule for 2015."

Amount in Dispute: \$224.70

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "The bills were audited in accordance with the MLN Matters Number: MM8206..."

The original bill for date of service of 12/08/2014 and 12/09/2014 ... was allowed at fee schedule and then the multiple procedure rule was applied...

...97112 was reimbursed at 100% of fee schedule and the second unit of 97112 was reimbursed at 75% of fee schedule. The primary unit of 97110 was paid at 50% of fee schedule and the fourth was reimbursed at 25% of fee schedule.

The original bill for date of service 12/11/2014 and 12/15/2014 ... was allowed at fee schedule and then the multiple procedure rule was applied...

The original bill for date of service 12/17/2014 ... was allowed at fee schedule and then the multiple procedure rule was applied...

The original bill for date of service 01/05/2015 ... was allowed at fee schedule and then the multiple procedure rule was applied...

Wellcomp maintains the bills were processed correctly according to the direction by DWC."

Response Submitted by: WellComp Managed Care Services

SUMMARY OF FINDINGS

Table with 4 columns: Dates of Service, Disputed Services, Amount In Dispute, Amount Due. Row 1: December 8 - 17, 2014 & January 5, 2015; Physical Therapy (97112 & 97110); \$224.70; \$0.00

FINDINGS AND DECISION

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and applicable rules of the Texas Department of Insurance, Division of Workers' Compensation.

Background

1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 Texas Administrative Code §134.203 sets out the guidelines for billing and reimbursing professional medical services.
3. The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
 - 59 – Processed based on multiple or concurrent procedure rules.
 - P12 – Workers' compensation jurisdictional fee schedule adjustment.
 - 193 – Original payment decision is being maintained. Upon review it was determined that this claim was processed properly.
 - W3 – Additional payment made on appeal/reconsideration.

Issues

1. What are the correct fee guidelines for the disputed services?
2. What is the Maximum Allowable Reimbursement (MAR) for the disputed services?
3. Is the requestor entitled to additional reimbursement?

Findings

1. The requestor seeks reimbursement according to the "Medicare Fee Schedule for 2015." 28 Texas Administrative Code §134.203 (b) states, "For coding, billing, reporting, and reimbursement of professional medical services, Texas workers' compensation system participants shall apply the following: (1) Medicare payment policies, including its coding; billing; correct coding initiatives (CCI) edits; modifiers; bonus payments for health professional shortage areas (HPSAs) and physician scarcity areas (PSAs); and other payment policies **in effect on the date a service is provided** with any additions or exceptions in the rules" [emphasis added].

Therefore, the correct fee guidelines for dates of service December 8 – 17, 2014 are found in the Medicare Fee Schedule for 2014 and the correct fee guidelines for date of service January 5, 2015 is found in the Medicare Fee Schedule for 2015, with the appropriate conversion factor found in 28 Texas Administrative Code §134.203 (c)(2), which states, in relevant part, "Subsequent year's conversion factors shall be determined by applying the annual percentage adjustment of the Medicare Economic Index (MEI) to the previous year's conversion factors, and shall be effective January 1st of the new calendar year."

2. Procedure code 97112, service date December 8, 2014, represents a professional service with reimbursement determined per §134.203(c). The Medicare fee is the sum of the geographically adjusted work, practice expense and malpractice values multiplied by the conversion factor. The MAR is calculated by substituting the Division conversion factor. For this procedure, the relative value (RVU) for work of 0.45 multiplied by the geographic practice cost index (GPCI) for work of 1.002 is 0.4509. The practice expense (PE) RVU of 0.48 multiplied by the PE GPCI of 0.987 is 0.47376. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.799 is 0.00799. The sum of 0.93265 is multiplied by the Division conversion factor of \$55.75 for a MAR of \$52.00. Per Medicare Claims Processing Manual Chapter 5 §10.7, when more than one unit of designated therapy services is performed on the same day, full payment is made for the first unit of the procedure with the highest practice expense. Payment for each subsequent unit is reduced by 50% of the practice expense. This procedure has the highest PE for this date. The first unit is paid at \$52.00. The PE reduced rate is \$38.79. The total is \$90.79.

Procedure code 97110, service date December 8, 2014, represents a professional service with reimbursement determined per §134.203(c). The Medicare fee is the sum of the geographically adjusted work, practice expense and malpractice values multiplied by the conversion factor. The MAR is calculated by substituting the Division conversion factor. For this procedure, the relative value (RVU) for work of 0.45 multiplied by the geographic practice cost index (GPCI) for work of 1.002 is 0.4509. The practice expense

(PE) RVU of 0.44 multiplied by the PE GPCI of 0.987 is 0.43428. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.799 is 0.00799. The sum of 0.89317 is multiplied by the Division conversion factor of \$55.75 for a MAR of \$49.79. Per Medicare Claims Processing Manual Chapter 5 §10.7, when more than one unit of designated therapy services is performed on the same day, full payment is made for the first unit of the procedure with the highest practice expense. Payment for each subsequent unit is reduced by 50% of the practice expense. This procedure does not have the highest PE for this date. The PE reduced rate is \$37.69 at 2 units is \$75.38.

Procedure code 97112, service date December 9, 2014, represents a professional service with reimbursement determined per §134.203(c). The Medicare fee is the sum of the geographically adjusted work, practice expense and malpractice values multiplied by the conversion factor. The MAR is calculated by substituting the Division conversion factor. For this procedure, the relative value (RVU) for work of 0.45 multiplied by the geographic practice cost index (GPCI) for work of 1.002 is 0.4509. The practice expense (PE) RVU of 0.48 multiplied by the PE GPCI of 0.987 is 0.47376. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.799 is 0.00799. The sum of 0.93265 is multiplied by the Division conversion factor of \$55.75 for a MAR of \$52.00. Per Medicare Claims Processing Manual Chapter 5 §10.7, when more than one unit of designated therapy services is performed on the same day, full payment is made for the first unit of the procedure with the highest practice expense. Payment for each subsequent unit is reduced by 50% of the practice expense. This procedure has the highest PE for this date. The first unit is paid at \$52.00. The PE reduced rate is \$38.79. The total is \$90.79.

Procedure code 97110, service date December 9, 2014, represents a professional service with reimbursement determined per §134.203(c). The Medicare fee is the sum of the geographically adjusted work, practice expense and malpractice values multiplied by the conversion factor. The MAR is calculated by substituting the Division conversion factor. For this procedure, the relative value (RVU) for work of 0.45 multiplied by the geographic practice cost index (GPCI) for work of 1.002 is 0.4509. The practice expense (PE) RVU of 0.44 multiplied by the PE GPCI of 0.987 is 0.43428. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.799 is 0.00799. The sum of 0.89317 is multiplied by the Division conversion factor of \$55.75 for a MAR of \$49.79. Per Medicare Claims Processing Manual Chapter 5 §10.7, when more than one unit of designated therapy services is performed on the same day, full payment is made for the first unit of the procedure with the highest practice expense. Payment for each subsequent unit is reduced by 50% of the practice expense. This procedure does not have the highest PE for this date. The PE reduced rate is \$37.69 at 2 units is \$75.38.

Procedure code 97112, service date December 11, 2014, represents a professional service with reimbursement determined per §134.203(c). The Medicare fee is the sum of the geographically adjusted work, practice expense and malpractice values multiplied by the conversion factor. The MAR is calculated by substituting the Division conversion factor. For this procedure, the relative value (RVU) for work of 0.45 multiplied by the geographic practice cost index (GPCI) for work of 1.002 is 0.4509. The practice expense (PE) RVU of 0.48 multiplied by the PE GPCI of 0.987 is 0.47376. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.799 is 0.00799. The sum of 0.93265 is multiplied by the Division conversion factor of \$55.75 for a MAR of \$52.00. Per Medicare Claims Processing Manual Chapter 5 §10.7, when more than one unit of designated therapy services is performed on the same day, full payment is made for the first unit of the procedure with the highest practice expense. Payment for each subsequent unit is reduced by 50% of the practice expense. This procedure has the highest PE for this date. The first unit is paid at \$52.00. The PE reduced rate is \$38.79. The total is \$90.79.

Procedure code 97110, service date December 11, 2014, represents a professional service with reimbursement determined per §134.203(c). The Medicare fee is the sum of the geographically adjusted work, practice expense and malpractice values multiplied by the conversion factor. The MAR is calculated by substituting the Division conversion factor. For this procedure, the relative value (RVU) for work of 0.45 multiplied by the geographic practice cost index (GPCI) for work of 1.002 is 0.4509. The practice expense (PE) RVU of 0.44 multiplied by the PE GPCI of 0.987 is 0.43428. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.799 is 0.00799. The sum of 0.89317 is multiplied by the Division conversion factor of \$55.75 for a MAR of \$49.79. Per Medicare Claims Processing Manual Chapter 5 §10.7, when more than one unit of designated therapy services is performed on the same day, full payment is made for the first unit

of the procedure with the highest practice expense. Payment for each subsequent unit is reduced by 50% of the practice expense. This procedure does not have the highest PE for this date. The PE reduced rate is \$37.69 at 2 units is \$75.38.

Procedure code 97112, service date December 15, 2014, represents a professional service with reimbursement determined per §134.203(c). The Medicare fee is the sum of the geographically adjusted work, practice expense and malpractice values multiplied by the conversion factor. The MAR is calculated by substituting the Division conversion factor. For this procedure, the relative value (RVU) for work of 0.45 multiplied by the geographic practice cost index (GPCI) for work of 1.002 is 0.4509. The practice expense (PE) RVU of 0.48 multiplied by the PE GPCI of 0.987 is 0.47376. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.799 is 0.00799. The sum of 0.93265 is multiplied by the Division conversion factor of \$55.75 for a MAR of \$52.00. Per Medicare Claims Processing Manual Chapter 5 §10.7, when more than one unit of designated therapy services is performed on the same day, full payment is made for the first unit of the procedure with the highest practice expense. Payment for each subsequent unit is reduced by 50% of the practice expense. This procedure has the highest PE for this date. The first unit is paid at \$52.00. The PE reduced rate is \$38.79. The total is \$90.79.

Procedure code 97110, service date December 15, 2014, represents a professional service with reimbursement determined per §134.203(c). The Medicare fee is the sum of the geographically adjusted work, practice expense and malpractice values multiplied by the conversion factor. The MAR is calculated by substituting the Division conversion factor. For this procedure, the relative value (RVU) for work of 0.45 multiplied by the geographic practice cost index (GPCI) for work of 1.002 is 0.4509. The practice expense (PE) RVU of 0.44 multiplied by the PE GPCI of 0.987 is 0.43428. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.799 is 0.00799. The sum of 0.89317 is multiplied by the Division conversion factor of \$55.75 for a MAR of \$49.79. Per Medicare Claims Processing Manual Chapter 5 §10.7, when more than one unit of designated therapy services is performed on the same day, full payment is made for the first unit of the procedure with the highest practice expense. Payment for each subsequent unit is reduced by 50% of the practice expense. This procedure does not have the highest PE for this date. The PE reduced rate is \$37.69 at 2 units is \$75.38.

Procedure code 97112, service date December 17, 2014, represents a professional service with reimbursement determined per §134.203(c). The Medicare fee is the sum of the geographically adjusted work, practice expense and malpractice values multiplied by the conversion factor. The MAR is calculated by substituting the Division conversion factor. For this procedure, the relative value (RVU) for work of 0.45 multiplied by the geographic practice cost index (GPCI) for work of 1.002 is 0.4509. The practice expense (PE) RVU of 0.48 multiplied by the PE GPCI of 0.987 is 0.47376. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.799 is 0.00799. The sum of 0.93265 is multiplied by the Division conversion factor of \$55.75 for a MAR of \$52.00. Per Medicare Claims Processing Manual Chapter 5 §10.7, when more than one unit of designated therapy services is performed on the same day, full payment is made for the first unit of the procedure with the highest practice expense. Payment for each subsequent unit is reduced by 50% of the practice expense. This procedure has the highest PE for this date. The first unit is paid at \$52.00. The PE reduced rate is \$38.79. The total is \$90.79.

Procedure code 97110, service date December 17, 2014, represents a professional service with reimbursement determined per §134.203(c). The Medicare fee is the sum of the geographically adjusted work, practice expense and malpractice values multiplied by the conversion factor. The MAR is calculated by substituting the Division conversion factor. For this procedure, the relative value (RVU) for work of 0.45 multiplied by the geographic practice cost index (GPCI) for work of 1.002 is 0.4509. The practice expense (PE) RVU of 0.44 multiplied by the PE GPCI of 0.987 is 0.43428. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.799 is 0.00799. The sum of 0.89317 is multiplied by the Division conversion factor of \$55.75 for a MAR of \$49.79. Per Medicare Claims Processing Manual Chapter 5 §10.7, when more than one unit of designated therapy services is performed on the same day, full payment is made for the first unit of the procedure with the highest practice expense. Payment for each subsequent unit is reduced by 50% of the practice expense. This procedure does not have the highest PE for this date. The PE reduced rate is \$37.69 at 2 units is \$75.38.

Procedure code 97112, service date January 5, 2015, represents a professional service with reimbursement determined per §134.203(c). The Medicare fee is the sum of the geographically adjusted work, practice expense and malpractice values multiplied by the conversion factor. The MAR is calculated by substituting the Division conversion factor. For this procedure, the relative value (RVU) for work of 0.45 multiplied by the geographic practice cost index (GPCI) for work of 1.005 is 0.45225. The practice expense (PE) RVU of 0.48 multiplied by the PE GPCI of 0.995 is 0.4776. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.772 is 0.00772. The sum of 0.93757 is multiplied by the Division conversion factor of \$56.20 for a MAR of \$52.69. Per Medicare Claims Processing Manual Chapter 5 §10.7, when more than one unit of designated therapy services is performed on the same day, full payment is made for the first unit of the procedure with the highest practice expense. Payment for each subsequent unit is reduced by 50% of the practice expense. This procedure has the highest PE for this date. The first unit is paid at \$52.69. The PE reduced rate is \$39.27. The total is \$91.96.

Procedure code 97110, service date January 5, 2015, represents a professional service with reimbursement determined per §134.203(c). The Medicare fee is the sum of the geographically adjusted work, practice expense and malpractice values multiplied by the conversion factor. The MAR is calculated by substituting the Division conversion factor. For this procedure, the relative value (RVU) for work of 0.45 multiplied by the geographic practice cost index (GPCI) for work of 1.005 is 0.45225. The practice expense (PE) RVU of 0.44 multiplied by the PE GPCI of 0.995 is 0.4378. The malpractice RVU of 0.02 multiplied by the malpractice GPCI of 0.772 is 0.01544. The sum of 0.90549 is multiplied by the Division conversion factor of \$56.20 for a MAR of \$50.89. Per Medicare Claims Processing Manual Chapter 5 §10.7, when more than one unit of designated therapy services is performed on the same day, full payment is made for the first unit of the procedure with the highest practice expense. Payment for each subsequent unit is reduced by 50% of the practice expense. This procedure does not have the highest PE for this date. The PE reduced rate is \$38.59 at 2 units is \$77.18.

3. The total allowable for the disputed services is \$999.99. The insurance carrier paid \$1000.10. Therefore, no additional reimbursement is recommended.

Conclusion

For the reasons stated above, the Division finds that the requestor has not established that additional reimbursement is due. As a result, the amount ordered is \$0.00.

ORDER

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code §413.031, the Division has determined that the requestor is entitled to \$0.00 reimbursement for the disputed services.

Authorized Signature

_____ Signature	<u>Laurie Garnes</u> Medical Fee Dispute Resolution Officer	<u>June 17, 2015</u> Date
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YOUR RIGHT TO APPEAL

Either party to this medical fee dispute has a right to seek review of this decision in accordance with 28 Texas Administrative Code §133.307, 37 *Texas Register* 3833, applicable to disputes filed on or after June 1, 2012.

A party seeking review must submit a **Request to Schedule a Benefit Review Conference to Appeal a Medical Fee Dispute Decision** (form **DWC045M**) in accordance with the instructions on the form. The request must be received by the Division within **twenty** days of your receipt of this decision. The request may be faxed, mailed or personally delivered to the Division using the contact information listed on the form or to the field office handling the claim.

The party seeking review of the MFDR decision shall deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed with the Division. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** together with any other required information specified in 28 Texas Administrative Code §141.1(d).

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.